

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Health	(2) MEETING DATE 7/16/2013	(3) CONTACT/PHONE Penny Borenstein / 781-5519	
(4) SUBJECT Request to: 1) approve the Blue Shield of California Foundation Grant Agreement in the amount of \$114,639 to maximize enrollment of uninsured residents and transition County Medical Services Program (CMSP) enrollees to Medi-Cal or Covered California starting October 2013; and 2) approve a sole source contract with Diringer and Associates in an amount not to exceed \$75,000 for consulting services to help implement the transition.			
(5) RECOMMENDED ACTION It is recommended that your Board: 1) Approve the Blue Shield of California Foundation Grant Agreement in the amount of \$114,639 to maximize the enrollment of uninsured residents and transition CMSP enrollees into Medi-Cal or Covered California for health care coverage starting October 2013, and direct the Chairperson to sign the Agreement; and 2) Approve and direct the Chairperson to sign a sole source contract with Diringer and Associates in an amount not to exceed \$75,000 for consulting services to help implement the transition.			
(6) FUNDING SOURCE(S) Blue Shield of CA Grant	(7) CURRENT YEAR FINANCIAL IMPACT \$114,639.00	(8) ANNUAL FINANCIAL IMPACT \$114,639.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001301		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director
Penny Borenstein, MD, MPH, Health Officer

DATE: July 16, 2013

SUBJECT: Request to: 1) approve the Blue Shield of California Foundation Grant Agreement in the amount of \$114,639 to maximize enrollment of uninsured residents and transition County Medical Services Program (CMSP) enrollees to Medi-Cal or Covered California starting October 2013; and 2) approve a sole source contract with Diringer and Associates in an amount not to exceed \$75,000 for consulting services to help implement the transition.

RECOMMENDATION

It is recommended that your Board:

- 1) Approve the Blue Shield of California Foundation Grant Agreement in the amount of \$114,639 to maximize the enrollment of uninsured residents and transition CMSP enrollees into Medi-Cal or Covered California for health care coverage starting October 2013, and direct the Chairperson to sign the Agreement; and
- 2) Approve and direct the Chairperson to sign a sole source contract with Diringer and Associates in an amount not to exceed \$75,000 for consulting services to help implement the transition.

DISCUSSION

In accordance with the federal Patient Protection and Affordable Care Act (ACA), the state of California is implementing a two-prong approach to expanding health care insurance coverage to its residents. In 2010, the state created California Health Benefit Exchange; known as Covered California™, which has developed an organized marketplace where legal residents can buy health coverage. Within Covered California, families, individuals and small business can purchase insurance and access insurance subsidies if their income falls between 138% and 400% of the Federal Poverty Level (FPL). Additionally, in June 2013, the State approved expanding Medi-Cal to include uninsured, medically indigent adults with incomes below 138% of FPL. Open enrollment for these coverage opportunities will run from October 1, 2013 to March 31, 2014, with coverage becoming effective January 1, 2014.

In anticipation of these programs, the Public Health Department has been working with a large group of partners and stakeholders on the goal of achieving a smooth transition to the expanded private and public health insurance market and the increased demand on health providers. The workgroup evolved from the Low-Income Health Program (LIHP) workgroup which came together over the course of calendar year 2011 to advise on the feasibility and wisdom of the County's participation in a LIHP. Though the County ultimately decided not to pursue a LIHP, the workgroup decided that there are still many issues in need of collaborative planning vis-à-vis health care reform. Objectives of the continuing group, now known as the ACA Planning Group, include the development and support of an adequate provider network; coordinating outreach, education and enrollment efforts; support of enrollment retention; and improving health care system utilization.

Data analysis of the anticipated eligible population indicates that as many as 37,000 residents of this county may comprise the newly eligible/mandated health insurance population, split roughly equally between Medi-Cal and the State's health benefits exchange, known as Covered California.

Among these uninsured adults are approximately 3,300 enrollees in the County's Medically Indigent Services Program, called the County Medical Services Program (CMSP). It is estimated that over 75% of our CMSP enrollees will be eligible for Medi-Cal Expansion and the majority of the remaining enrollees will be eligible for Covered California's subsidized insurance plans. However, as many as 500 enrollees may be exempted from the requirement to obtain health insurance and will remain the County's legal responsibility under Section 17000 of the Welfare and Institutions Code.

In order to fund assistance in the transition of the CMSP enrollees, the Public Health Department applied for and successfully obtained a grant from the Blue Shield of California Foundation in the amount of \$114,639. The purpose of this grant funding is to help counties transition uninsured residents into coverage through Medi-Cal and Covered California in 2014. The project's key objectives are:

- By July 31, 2013, convene an Affordable Care Act (ACA) Planning Workgroup of key safety net stakeholders and establish a work plan and meeting plan to facilitate the implementation of the Medi-Cal expansion in San Luis Obispo County, especially regarding care coordination, specialty care access, and outreach, education, and enrollment.
- By September 30, 2013, complete an internal needs assessment and develop a work plan for the county addressing the administrative, operational, and technical system changes necessary to transition management of the county's medically indigent adult population.
- By March 31, 2014, transition at least 2,500 enrollees of the county's medically indigent services program into coverage through Medi-Cal or Covered California.
- By March 31, 2014, contact at least 5,000 county residents with information about Medi-Cal or Covered California enrollment opportunities and provide in-person education to at least 2,500 low-income residents.
- By June 30, 2014, fully implement the internal transition plan of the county's medically indigent services program, with all residual medically indigent adults receiving services under a new model of health care services.

Due to the complexities of on-going regulatory changes in the public and private insurance arena and the short time frame to define and implement the necessary policy and programmatic changes, the Public Health Department proposes to enter into a sole source contract agreement with Diringier and Associates (D&A) to enhance the Department's efforts to transition the CMSP enrollees and the overall program.

Diringier and Associates, a San Luis Obispo-based health consulting firm, is renowned throughout the state for its expertise in health care access and coverage policy and programs, including the ACA. The firm's principal, Joel Diringier, JD, MPH is a member of the Insure the Uninsured Project Board and frequent speaker on ACA implementation. Diringier and Associates was contracted by the Health Agency in 2010 to provide consulting services during the exploration of the Low-Income Health Program (LIHP). Mr. Diringier continues to be an integral part of stakeholder engagement. From September 2010 to March 2012, he planned and facilitated 13 meetings of the LIHP Stakeholder Group and, starting in August 2012, he facilitated five meetings of the ACA Planning Group. Therefore, retaining Diringier and Associates will purposefully maintain continuity, and thus momentum, of the stakeholder engagement through the ACA Planning Group. Additionally, Diringier and Associates is contracted with two other county-level ACA implementation efforts in Fresno and Merced Counties and with the First 5 Commission of San Luis Obispo County on related health projects. Thus, the firm is able to leverage information and resources for the benefit of our project. It is expected that if an RFP process were required for this contract, the result would be the same.

OTHER AGENCY INVOLVEMENT/IMPACT

California's implementation of the Medicaid (Medi-Cal) expansion component of the ACA will have significant implications for many health care delivery system stakeholders besides the County Health Agency. Critical to the CMSP transition are the County Department of Social Services, CenCal Health, and Community Health Centers of the Central Coast. Each of these entities is represented on the ACA Planning Group and their participation will be facilitated throughout the transition process. County Counsel has reviewed and approved the grant agreement and contract as to form and legal effect.

FINANCIAL CONSIDERATIONS

The financial considerations for the County associated with transitioning CMSP enrollees to either Medi-Cal or Covered California are significant. The grant, which will support a portion of a Patient Services Representative as well as the consulting firm, will enable the transition to occur at the earliest opportunity; i.e., January 1, 2014. In turn, effecting the reduction in CMSP enrollment will help the County offset mid-fiscal year 2013-14 reductions in the 1991 Realignment

Health Trust Account in accordance with the recently passed State budget. A budget adjustment will not be required for this unanticipated revenue due to projected expenditure savings within Fund Center 350-CMSP in FY 2013-14 as a result of ACA implementation.

RESULTS

The expected results from the Blue Shield of California Foundation grant are:

- Nearly all of the CSMP enrollees will be enrolled in Medi-Cal or Covered California; increasing those persons' access to health care;
- A reduced-scope CMSP program will be in place; and
- Partners and stakeholders will be informed and engaged in the process of implementing health care reform.

The overall results from this project will further the County vision of a healthy, well-governed community.

ATTACHMENTS

1. Agreement with Blue Shield of California Foundation
2. Contract with Diringer and Associates